

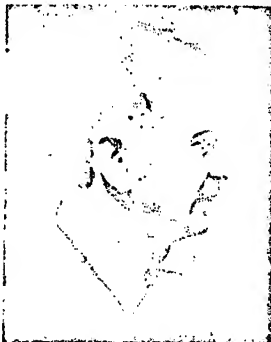
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ARGENTINA

José Alfredo MARTINEZ DE HOZ, Jr.

Minister of Economy

A prominent businessman and attorney, José Martínez de Hoz (pronounced marTEEness day OHS) became Minister of Economy in March 1976, after a military coup that overthrew the government of President María de Perón. He is a wealthy businessman who has not held public office since 1963, when he served briefly in the position he holds today. One of the two civilians in the nine-man Cabinet, Martínez de Hoz is also one of the most influential members of the government; he has the full support of President Jorge Videla. Martínez de Hoz is an intelligent, hardworking and conscientious professional. He is a good listener and seems willing to hear other viewpoints, although his own are colored by his background as a member of one of Argentina's leading families. The current military leaders consider him to be apolitical, but he considers himself to be a political conservative; during the 1972-73 presidential election he headed the small, conservative centrist Partido Federalista de Centro. In October 1975 it was said that Martínez de Hoz was a member of one of several civilian groups that were working to bring about some type of military intervention in the Peronist government, though he did not necessarily favor a direct takeover.



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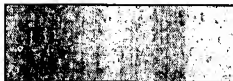
The Economy Under Martínez De Hoz

Referred to in Argentine terms as an economic liberal, Martínez de Hoz favors a private-enterprise, market-oriented economy. He advocates "relaxed" government participation and supervision in all economic activities. Martínez de Hoz stresses agricultural development. His policies are growth-oriented; during 1976 he emphasized the expansion of meat and grain exports, with export diversification to come at a later date. His program encourages private domestic and foreign investment.

Faced with an economic crisis of monumental proportions at the time of his appointment, Martínez de Hoz has gradually been implementing a tough stabilization program. Restraints on wages and cuts in government spending achieved remarkable success in bringing inflation under control: The monthly inflation rate dropped from 38% in March 1976 to less than 3% in June, and although it has risen since then, it is still well below the March rate. Real wages have declined drastically, however, producing labor restlessness.

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Martínez de Hoz has also had dramatic success in reducing the budget deficit and has staved off default on Argentina's foreign debt. In 1976 he negotiated nearly US \$1 billion in commercial loans from financial institutions in the United States, Canada and Western Europe and obtained \$300 million from the International Monetary Fund.

Committed to attracting foreign investment, Martínez de Hoz has supervised the drafting of a new and liberal foreign investment law. He has settled some long-standing disputes arising from nationalization of some foreign enterprises by previous governments.

Attitude Toward the United States

Martínez de Hoz is a friend and admirer of the United States. He is well and favorably known to US officials in Buenos Aires and Washington. In June 1976 he visited this country on a financial mission and met with then Secretary of State Henry Kissinger and with then Secretary of the Treasury William Simon, whom he had met previously at the meeting of the Inter-American Development Bank in Cancún, Mexico, in May.

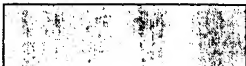
An Early Achiever

José Alfredo Martínez de Hoz, Jr., was born into a wealthy ranching family in Buenos Aires on 13 August 1925. An excellent scholar, he graduated in 1949 from the School of Law and Social Sciences at the University of Buenos Aires with the best grades in the department. In 1952 he attended a course in English Common Law for foreign attorneys at Cambridge University.

Entering public life in 1956, Martínez de Hoz was appointed minister of economy, finance and public works in Salta Province. During 1957-58 he was president of the influential National Grain Board. During the early 1960's Martínez de Hoz served as an adviser to the Minister of Economy; in 1962 he became Secretary of State for Agriculture and Livestock; and in 1963 he served briefly as Minister of Economy. He has also taught from time to time at the University of La Plata.

Since 1964 Martínez de Hoz has been involved primarily in business activities. He has held such positions as: president of the Petrosur fertilizer company; board chairman of Industria Argentina de Aceros, S.A., a steel manufacturing complex; board member of Compañía Italo Argentina de Electricidad, S.A.; and member of the Latin American Advisory Board of Westinghouse Electric Company. During 1964-67 he also served as president of the Argentine sector of the Inter-American Council of Commerce and Production.

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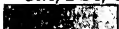
Personal Data

Energetic and at times intense, the Minister is honest and straightforward. He has an attractive and unassuming manner and is an excellent public speaker. He speaks fluent English in addition to his native Spanish.

Martínez de Hoz is married to the former Elvira Bullrich and has three children.

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3 February 1977

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